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CENTRAL INTELLIGENCE AGENCY

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## INFORMATION REPORT

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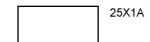
- Slovene youth does not favor Tito as many people abread are falsely led to believe. Young men and women are dissatisfied with the internal situation and would like to see both an improvement in the standard of living and greater cultural activity. The Western way of life is often commented on favorably by the youth.
- 2. Slovene motion picture houses showing American pictures are usually filled to capacity and most of the spectators are young people. These pictures, depicting the American way of life, the high standard of living and the unheard-of freedom as compared to the Communist state usually add to the spectator's abhorrence of the current regime.
- 3. Slovenes often talk of the good times in the pre-war days, and from an economic point of view, would like to return to those times. Very little thought is given to a return to a monarchy. Some Slovenes favor the creation of an independent Slovenia as part of a European Union, while others are attached to Yugoslavia, that is to the Serbs but not to the Croats. It is claimed in Slovene circles that the Croats have always been a destructive element in the State.
- 4. In any case the majority of Slovenes would like to have an independent Slovene federation. These feelings are deep-seated and even today many Slovenes are opposed to having Slovene soldiers do military duty elsewhere than in Slovenia. This attitude has created a serious problem for the Government.
- 5. The regime has not been successful in fighting the traditional hatred dividing the Serbs, Croats and Slovenes but on the contrary has increased it. The terroristic measures taken by the authorities at times and the current law against the spreading of religious and national hatreds, with serious consequences for those involved, have added to these chauvinist feelings.
- 6. No mention is made any longer of the Five Year Plan. Industry has come to a standstill because of a lack of raw materials, machines, funds and specialists. The Litostroj Factory in Ljubljana, for example, has only one section working, which is producing pipe of no practical use to the

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country. Machines and raw materials are lacking in the chemical industries in Slevenia and have put a stop to production. Electric light bulbs produced in Yugoslavia are of such poor quality that they usually last about two days.

- 75 The Yugoslav Army will be willing to fight the Soviets as leng as it is under United Nations command, in which case it would fight hard. It is doubtful whether the Army will fight under the command of Tito's Communist political commissars. The officer corps has little prestige among the people and officers are not invited to private affairs. The people keep a respectful distance because the officers usually are not very intelligent and are poorly educated.
- 8. The regime has made a serious effort to bring about changes in all walks of life. However, fundamental changes will not be made because Communist laws and principles are still enforced. Soviet methods, nevertheless, are being abolished in all sectors. What the net result of these changes will be is not clear yet.
- 90 In the economic field the following changes have taken place:
  - a. The old system for managing factories has been changed with well-paid managers being reinstated.
  - bo So-called "voluntary work" has been abolished.
  - c. The wheat collection system has been changed.
  - do Farmers are permitted to take whatever produce is over and above their quotas to the free markets for sale.
  - e. Private initiative in business, handicraft and small industries is being encouraged.
  - fo A number of different types of government stores are being set up to operate as private firms and to compete in the free marketo
- 10. American aid is welcomed with great enthusiasm by the people who see in it political implications. The aid, it is felt, will increase Americans political influence and may bring about internal political changes.
- Il. The people have no faith in the Government and its capacity to govern. The Yugoslav Communist Party is no longer in a position to regain its prestige in the eyes of the people.
- Non-Communists are no longer referred to as "reactionaries" and the persecution of this group has somewhat diminished. From the ranks of the "reactionaries" the regime has drawn many specialists. Individuals are no longer attacked as "reactionaries" at Party meetings by Party members who now have the right to send a report on the person to higher Party sutherity and nothing else.
- 13. In some respects the "reactionaries" are better off than the Communists. This is true from a political standpoint because a Communist is always under suspicion as a Cominformist and the large part of the police apparatus is engaged in checking on Party members. No particular attention is paid as to whether a "reactionary" is loyal to the regime. To the contrary, they are not molested for making unimportant remarks against the regime.

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